

CLERK'S OFFICE

**APPROVED**

Date: 9-7-11

Submitted by: ASSEMBLY MEMBER STARR  
Assembly Vice Chair Hall  
Assembly Member Traini  
Prepared by: Assembly Counsel  
For reading: September 7, 2011

**ANCHORAGE, ALASKA  
AR NO. 2011-248**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY TO DISCUSS AND CLARIFY POLICY AND DIRECTION GUIDELINES FOR EFFECTIVE COLLECTIVE BARGAINING AND CONTINUED NEGOTIATIONS FOR A LABOR AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE UNITED ASSOCIATION OF PLUMBERS LOCAL 367.**

WHEREAS, the United Association of Plumbers Local 367 represents approximately 120 employees of Anchorage Water and Wastewater Utility (AWWU) and approximately 17 employees in general government, under a collective bargaining effective June 6, 2006 through June 30, 2010; and

WHEREAS, by AR 2010-86, amended and approved by the Anchorage Assembly on March 23, 2010, the Assembly provided general labor relations policy and direction for collective bargaining contract negotiations to the Administration; and

WHEREAS, the Municipality and the United Association of Plumbers Local 367 have been in negotiations for a successor contract since March 30, 2010; and

WHEREAS, during negotiation, mediation, and fact finding as outlined in AMC 3.70.100, the parties reached tentative agreement on the majority of contract terms and conditions, and

WHEREAS, pursuant to the preliminary injunction order issued September 1, 2011 in Anchorage Superior Court Case 3AN-11-10463, the terms of the expired collective Bargaining Agreement remain in effect during the term of the preliminary injunction, and will remain in place until a new agreement is reached by the parties, the preliminary injunction expires, or the Court imposes a new agreement on the parties; and

WHEREAS, by stipulation of the parties and found by the Court as a matter of law, both the Municipality and the United Association of Plumbers Local 367 have complied with all relevant and necessary provisions of municipal code concerning negotiations, mediation, fact finding and arbitration of issues in dispute, and neither side accuses the other of having committed any unlawful conduct in the course of negotiations or other proceedings; and

WHEREAS, wages, CPI adjustments, market based adjustments, and service recognition are addressed separately by the Assembly in the policy guidelines and direction under AR 2010-86, as amended, and attached for ease of reference; and

WHEREAS, circumstances of the preliminary injunction evidence the need for confirmation and clarification of direction and guidelines from the Assembly;

NOW THEREFORE BE IT RESOLVED by the Anchorage Assembly:

1. For purposes of general labor relations policy and direction from the Assembly, effective bargaining of a labor agreement means a tentative agreement is reached subject to ratification as set out in AMC 3.70.130A.
2. As labor relations policy and direction, the Administration is urged to use its best efforts to re-establish negotiations under Meet and Confer, Section 2.18 of the lapsed contract in place during the preliminary injunction.
3. The Assembly will review with the Administration the cost of living calculations referenced in the 2010 Assembly Guidelines under AR 2010-86, as amended, to confirm the current cost of living percentile, calculated in reference to policy objective No. 2 in AR 2010-86, attached.
4. The Assembly will review with the Administration the other policy guidelines and direction in AR 2010-86, as amended, for clarity and confirmation.
5. The Administration is strongly urged to continue negotiation efforts so that a tentative agreement will be reduced to writing and presented to the Assembly for discussion of terms and final contract ratification as set out in AMC 3.70.130A, prior to November 10, 2011.
6. The Assembly has confidence in the ability of the parties to engage in effective bargaining, without the necessity of the Court imposing terms and conditions of the collective bargaining agreement.

PASSED AND APPROVED by the Anchorage Assembly this 7<sup>th</sup> day of September, 2011.

Debbie Ossander  
Chair

ATTEST:

Brian S. Jensen

Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**ASSEMBLY INFORMATION MEMORANDUM**

No. 100-2011

Special Meeting Date: September 7, 2011

1 **Subject: AR 2011-248-- A RESOLUTION OF THE ANCHORAGE MUNICIPAL**  
2 **ASSEMBLY TO DISCUSS AND CLARIFY POLICY AND DIRECTION**  
3 **GUIDELINES FOR EFFECTIVE COLLECTIVE BARGAINING AND CONTINUED**  
4 **NEGOTIATIONS FOR A LABOR AGREEMENT BETWEEN THE MUNICIPALITY**  
5 **OF ANCHORAGE AND THE UNITED ASSOCIATION OF PLUMBERS LOCAL**  
6 **367.**

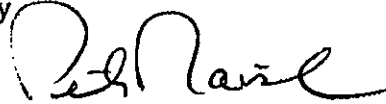
7  
8  
9 The attached information and calculation dated September 6, 2011 have been  
10 provided by Peter Raiskums, Director of Internal Audit, at the request of Assembly  
11 Member Bill Starr, concerning AR 2010-86, as amended and approved by the  
12 Assembly March 23, 2010.

13  
14 For tracking purposes, AIM No. 100-2011 is assigned by the Clerk's Office.  
15  
16  
17  
18

**Municipality of Anchorage**  
**MEMORANDUM**

---

**DATE:** September 6, 2011  
**TO:** Members of the Assembly  
**FROM:** Director, Internal Audit  
**SUBJECT:** Five Year Average CPI-U



M.O.A.  
2011 SEP -6 PM 3:46  
CLERKS OFFICE

AR 2010-86 established Municipal policy guidelines and direction for collective bargaining contract negotiations and stated that the average annual increase in cost to the Municipality for wages over the life of the contract shall not exceed the annual average of the previous five years Anchorage Consumer Price Indices.

Using the Bureau of Labor Statistics data, the following increase in the Anchorage Consumer Price Indices are presented for years 2006 through 2010.

2006	3.20%
2007	2.20%
2008	4.60%
2009	1.20%
2010	<u>1.80%</u>
Average	2.60%

**CONSUMER PRICE INDEX, ANCHORAGE AREA - FIRST HALF 2011**  
**AREA PRICES UP 2.5 PERCENT OVER THE PAST SIX MONTHS, UP 2.8**  
**PERCENT FROM A YEAR AGO**

Prices in the greater Anchorage area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 2.5 percent in the first half of 2011, the U.S. Bureau of Labor Statistics reported today. (See table A.) Regional Commissioner Richard J. Holden noted that this latest six-month period increase was influenced by higher prices for gasoline and shelter. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the past 12 months, the CPI-U rose 2.8 percent. (See chart 1.) Energy prices advanced 11.5 percent, mainly due to an increase in the price of gasoline. The index for all items less food and energy increased 1.9 percent over the year.

Table A. Anchorage CPI-U semi-annual and annual percent changes (not seasonally adjusted)												
	2006		2007		2008		2009		2010		2011	
	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual
First Half	1.5	4.2	0.8	1.5	2.5	4.6	-0.7	1.3	0.7	2.5	2.5	2.8
Second Half	0.7	2.2	2.1	2.9	2.0	4.5	1.8	1.1	0.3	1.0		

#### Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 25,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at [www.bls.gov/cpi](http://www.bls.gov/cpi) and the *BLS Handbook of Methods, Chapter 17, The Consumer Price Index*, available on the Internet at [www.bls.gov/opub/hom/homch17\\_a.htm](http://www.bls.gov/opub/hom/homch17_a.htm).

Submitted by: ASSEMBLY MEMBER COFFEY  
Assembly Member Johnston  
Assembly Member Birch

Reviewed by: Assembly Counsel  
For reading: March 2, 2010

CLERK'S OFFICE

**AMENDED AND APPROVED**

Date: 3-23-10

**ANCHORAGE, ALASKA  
AR NO. 2010-86**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY ESTABLISHING  
MUNICIPAL POLICY GUIDELINES AND DIRECTION FOR COLLECTIVE  
BARGAINING AND CONTRACT NEGOTIATIONS.**

**WHEREAS**, AMC 3.70.090D.1 provides the Assembly with an opportunity to set general labor relations policy and directions for contract negotiations; and

**WHEREAS**, three years have elapsed since the Assembly last set general labor relations policy and directions for contract negotiations under AR 2007-84 (copy attached); and

**WHEREAS**, the financial position of the Municipality is significantly different than it was in 2007 and currently the Municipality is facing serious budget challenges; and

**WHEREAS**, employee wages and benefits are a significant cost of Municipal Government; and

**WHEREAS**, economic conditions make forecasting beyond three years difficult for the purposes of determining wage and benefit expense; and

**WHEREAS**, the State of Alaska recognizes the value of three-year term contracts by limiting contract terms to three years under the Public Employee Relations Act; and

**WHEREAS**, the parties to collective bargaining benefit from direction from the Assembly regarding its priorities and expectations;

**NOW THEREFORE**, the Anchorage Assembly resolves that in labor negotiations with the City's employees, the Administration is expected by the Assembly to negotiate provisions meeting these policy objectives:


1. The term of any collective bargaining agreement shall not exceed three years in duration.
2. The average annual increase in total incremental cost to the Municipality for wages and benefits over the life of the contract shall not exceed the annual average sum of the previous five three years Anchorage Consumer Price Indices.

3. Employees must share in a larger percentage of the cost of employee benefits.
4. Service recognition/longevity compensation programs are to be eliminated.
5. Work rules, supplemental pay programs and all other processes that result in costly processes and procedures with little or no true added value are to be eliminated.
6. The work force, including bargaining representatives, should be engaged to identify more efficient and cost effective means to carry on the work of the municipality including, but not limited to, the use of contracting out of services that could be provided by the bargaining unit.

PASSED AND APPROVED by the Anchorage Assembly this 23<sup>rd</sup> day of March, 2010.

  
Chair

ATTEST:

  
Municipal Clerk